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ABSTRACT

One in a series of consumer education materials for 4-H Club members and secondary students, this document focuses on shopping and purchasing. The series is based on the philosophy that teens need the training and guidance to develop the skills needed to become competent consumers. The shopping project is designed to acquaint students with some of the functions of the market place, to encourage them to seek additional information, to teach about some of the tools used in selling (advertising) and how to make reasonable choices, and to alert youth to the dangers and results of deceptive sales methods. The document is divided into two sections. The first part is the teacher's guide which contains statement of purpose, objectives, ideas, suggested resources, activities for learning experiences, and evaluation. The second section is the student materials which contains background information and specific learning activities. (Author/JR)

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SHOPPING

SP 008 926

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FLORIDA COOPERATIVE EXTENSION SERVICE
INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES
UNIVERSITY OF FLORIDA, GAINESVILLE

TEACHING GUIDE

SPECIAL INTEREST TEACHING GUIDE

EXPLORING YOUR WORLD

4-H SI SHOPPING PROJECT

ADVERTISING
PACKAGING
GUARANTEES AND WARRANTIES
RETURNING MERCHANDISE
DOOR-TO-DOOR SALESMEN
FRAUDS AND DECEPTIONS

STATEMENT OF PURPOSE

Much knowledge is needed in order to make wise consumer decisions. When poor choices are made the consumer either doesn't get his money's worth or he is dissatisfied with the purchase. Each consumer should be able to recognize and weigh advantages and disadvantages of technical "improvements" and to know which ones offer greater benefits not only to him, but to consumers as a group. An understanding of sales' appeals and merchandising methods is essential for one to choose rationally from the many products and services available on the market.

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PURPOSES OF THE SHOPPING PROJECT

To acquaint the 4-H'ers with some of the functions of the market place. To encourage them to seek additional information when it is needed. To teach the 4-H members about some of the tools used in selling and how to make reasonable choices. To alert the youth to the dangers and results of deceptive sales methods. To teach them to recognize such techniques.

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AS TO TEACH IN THE SHOPPING PROJECT.

Shopping is an essential step in the process of fulfilling wants and needs in America's highly technical society. You are not a self contained unit which produces your own food, clothing and other essentials. In our culture money is given in return for work done. This money is then exchanged for products and/or services produced by someone else. This process of exchanging money for purchases is called shopping. The person who buys goods and services is a consumer.

The marketing system is complex and highly competitive. Only products having great sales appeal are able to remain on the market. Pre-selling is necessary to create the needed consumer demand. This is done primarily through advertising. Advertising can provide information which you need, even though its main purpose is to convince you to buy.

Packaging provides several services. It protects products from damage due to handling and keeps the contents clean and sanitary. In many cases it protects both the quality and freshness of the item. Pre-packaging is essential for self-service stores. Labels printed on packages provide point-of-sale information for shoppers, often of the type not available from other sources.

Well chosen, clearly written guarantees and warranties, given by reputable retailers and/or manufacturers are a protection for the consumer. Yet, those which are cleverly worded to conceal their true coverage, or are issued insincerely, are deceptive sales devices that aim to rob the consumer of his investment. It is very important that the consumer understand clearly all details of a guarantee or warranty.

Stores have definite policies regarding the returning of merchandise for exchange, refund or for credit on an account. Policies regarding merchandise which was defective when purchased should not be confused with items that the consumer returns because of his own changed thinking. Both the consumer and retailer

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have definite responsibilities relating to the handling of merchandise.

Door-to-door salesmen face an unusual sales situation. The potential consumer is not in a buying mood or a buying situation. The salesman must find a way to attract the interest of the person and to hold it long enough to make a sale. This requires much skill. Many door-to-door salesmen use high pressure tactics and deceptive sales methods. It's important for consumers to recognize the differences between a friend or neighbor selling small items to earn extra money and the transient door-to-door salesman who uses deceptive ways of selling. Florida has a law that allows a person 3 days in which to cancel a purchase of more than $25 from a door-to-door salesman.

Most businesses and salespeople are honest; however, a few are dishonest. Those who are unethical usually take advantage of the people who can least afford it. But, no one is immune. A dishonest business hurts the honest merchant. Fraud and deception have warning signals. Every consumer should learn to recognize these signs of deception and to avoid situations where they exist. If a person is deceived, he has the responsibility to report it to the appropriate protection agency.

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SUGGESTED RESOURCES

People

The advertising manager from an advertising agency, radio or TV station, or newspaper would make an excellent resource person. Such individuals would want to talk about advertising's responsibility to the consumer, the economics of advertising, and job opportunities in this field.

A manager from the service department of a store or a regional service center for a manufacturer would be another excellent person to visit your group. This person could explain his experiences with the handling of products under guarantee or warranty. He could also discuss types of warranties and how the terms differ.

Department store managers are excellent sources of information. A store manager could discuss such things as store policies regarding merchandise, guarantees and warranties, how prices are determined, the value of advertising to the store, and merchandising methods used.

Invite a representative of either city or county government to visit the group. Ask this person to explain local laws and regulations regarding permits for door-to-door selling and to discuss other regulations that relate to business and the consumer.

There are several persons in your community who could bring valuable information to your students about the efforts of business and government to protect consumers from deceptive and fraudulent business practices. Examples include:

*Better Business Bureau
*Consumer Relations Department of local Chamber of Commerce
*The Legal Aid Society
*A consumer protection agency such as:
  Food & Drug Administration
  Florida Dept. of Agriculture
  Federal Trade Commission
  City Consumer Protection Agency

Places

Plan a tour to visit an advertising agency, a radio station, a TV station, or the advertising department of the local newspaper.

Visit a self-service store. Make a list of the different types of labels that you see on products. Find an example of an informative label and one that had little or no information. Look for an example of a package that is essential for the marketing of the product and another one where the package is of little or no value.

Visit the "back room" of a large supermarket where the produce is pre-packaged. Ask for information about the cost of this service and the savings in marketing costs which result from pre-packaging.

Arrange a trip to the local governmental agency handling the issuance of sales licenses and permits for door-to-door selling. Show the group actual licenses and permits and the forms necessary to obtain these.

Literature

The following are Florida Cooperative Extension Service publications. Request from your county Extension 4-H Coordinator.

* Don't Be Cheated! (EHE 122)
* A Look At Advertising (EHE 88)
* Errors On Your Bills -- What To Do? (EHE 148)
* If You Are Swindled -- What To Do? (EHE 128)

Audio-Visual Aids

The following are available on request from your county Extension 4-H Coordinator.

* A Look At Advertising (slide set)
* Guarantees and Warranties (slide set)

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ACTIVITIES FOR LEARNING EXPERIENCES

The shopping series is composed of six lessons. The leaflet for each of these lessons should be used as a guide for class discussions. Students should read each carefully. Most leaflets contain suggested activities for the youngsters.

1. Find an advertisement in the newspaper that offers credit. What type information is given about the cost of credit and the terms? Review with the students the laws that regulate certain disclosures on advertising.

2. On individual squares of paper, place small amounts of the following:

-baking soda -white bath powder
-flour -baking powder
-tooth powder -white cleaning powder

Ask the students to identify each. This will help them to understand the value of packages and labeling.

3. Take 3 or 4 fresh crachers and put them in an envelope. Seal the envelope and place on a shelf beside an unopened package of crackers. After about a week open both packages and compare the freshness of the contents. This idea could be used with a variety of products. For example, caramel candy, cheese, marshmallows, instant coffee, salt, etc. Follow this experiment with a discussion of the value of packaging.

4. From a druggist obtain a sample of the new child proof containers used for some medicines. Discuss with the group types of packages that are designed to meet special needs. Ask students to list types of products marketed in aerosol containers and why products packaged in this type container have gained popularity. Be sure to include the fact that some products would be difficult to package in other type containers. For example, hair spray.

5. Have each student contact at least 3 people and ask the following questions:

** Have you ever been given a guarantee that was no good?
** Why was it no good?
** Have you ever bought something from a door-to-door salesman and were sorry later?
** Why were you sorry?
** Have you ever been gyped when you bought something?
** How were you gyped?

Have the class compile their findings. What percentage of the people contacted said they had been gyped? What percentage had bought from door-to-door salesmen and were sorry later? Have the class organize reasons given into broad categories and tally them. This could tell much about local consumer problems and educational needs.

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EVALUATION OF LEARNING

You will no doubt wish to evaluate the educational experiences this series gave your students. Suggested questions are listed for your convenience.

ADVERTISING (Fill in the blank)

1. Advertising's main purpose is to get you to buy.
2. Advertising gives you free radio and TV programs.
3. Advertising helps to create competition between different products and stores.
4. Advertising does not tell you a product's short comings.
5. Advertising tells you a product is for sale and where it is sold.

PACKAGING (Short answer questions)

1. List the 4 materials of which packages are made.
2. Give one disadvantage of each kind of packaging material.
3. List 3 good things packages do for you.

(Answers are given on the member piece.)

DOOR-TO-DOOR SALESMEN (Fill in the blank)

1. You have 3 days within which to cancel a purchase made from a door-to-door salesman.
2. To cancel the purchase, you write to the company.
3. Prices are higher for products sold by door-to-door salesmen.
4. If you buy from a door-to-door salesman be sure you know the salesman or the product.
5. Some dangers of buying from door-to-door salesmen are:
   You may not get what you bought.
   You may not be able to return or exchange your purchase.
   You may be pressured into buying.

FRAUDS & DECEPTIONS (Short answer)

1. List 5 of the 6 warnings signals of fraud and deception.
2. Give one example of a fraud or deception for each of the 5 warnings listed.

GUARANTEES & WARRANTIES (Fill in the blank)

1. To be binding, guarantees or promises of a salesman should be in writing.
2. A guarantee must be given by a reliable company to be of value.

Read the following guarantee. Then answer the questions listed below it.

GUARANTEE

Benney's will replace this Bennprest appliance within one year of purchase, free of charge, if it proves to be defective as to material or workmanship. Present the defective appliance to your nearest Benney Store or Catalog Center and you'll receive a new one. (Of course this guarantee does not apply to damage from accident, misuse or abuse).

3. How long is the guarantee for?
4. What does the guarantee cover?
5. Where must the item be returned?

RETURNING MERCHANDISE

F 1. All stores must take back or exchange goods that they sell unless a sign is posted stating otherwise.

T 2. Most stores require a sales receipt before they accept returned items.

T 3. If you call a store about something you bought, keep a record of the person you talked with and the date.

T 4. You should return merchandise only when there is a good reason.

T 5. Always read instructions before you use a new item.

* * * * *

Prepared by: Mary N. Harrison
Consumer Education
Specialist

Consultant: Charla Bartscht Durham
Home Management and
Family Economics Specialist

MEMBER PIECES

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Institute of Food and Agricultural Sciences
University of Florida, Gainesville

4H Special Interest

SHOPPING PROJECT

ADVERTISING

Advertising is an important part of our marketing system. It serves as the salesman for most goods and services. Advertising aims to pre-sell. That means getting you to go to the store and buy the advertised product. Since America has more to sell, you might think of advertising in 2 ways. Think what it does for you and for the nation.

ADVERTISING AND THE ECONOMY

Advertising directly affects the economy of our country. It is neither all good or all bad.

Good things about advertising

* About 20 million dollars are spent on advertising each year. This creates jobs for thousands of people.
* Advertising gives you free radio and TV programs. The money paid for ads pay the expenses of broadcasting. In some countries people must pay when they use radio and television.
* Newspapers and magazines cost less because of their ads. Money from the ads pays the printing expenses.
* Advertising helps to create competition between different products and stores.

Problems of advertising

* Advertising costs lots of money. These costs must be added into the retail prices. Advertising expenses average about $240 for each American family every year.
* New products without much money for advertising have special problems. If they can't advertise they may not sell and will go out of business.
* Advertising causes some people to buy when they should not.

ADVERTISING AND YOU

Advertising influences what and when you buy.

* Advertising tells you about things which are for sale. It tells you...
  ...what is for sale.
  ...where to find it.
  ...how much it costs.
  ...what it is to be used for.
  ...what is new.
* Advertising helps you in different ways. It helps to...
  ...keep prices low or competitive.
  ...compare prices and products.
  ...save time by telling you where to find the product.

* Advertising does not...
  ...force you to buy against your will.
  ...tell you the product's shortcomings.

* You can be misled by advertising.
  ...It's against the law for ads to be false. They may, however, use puffing or exaggerations. For example, an aspirin commercial can't say, "Only aspirin can relieve pain." But it can say, "Nothing relieves pain like aspirin."
  ...Products which are very much alike are usually highly advertised. Often differences are implied which don't exist.
  ...Ads may make you think that you need something when you don't.

HOW DOES ADVERTISING GET YOU TO BUY?

Advertising uses emotional appeals to get you to buy. Some of these are:

* The desire to be like others. For example, an ad may imply all teens wear a certain type jean.

* Fear. Such ads say, "Why lose your sweetheart because you don't use ___?"

* Snob appeal. These ads imply that buying a certain item makes you a leader or successful.

* Comfort and enjoyment. Such ads suggest physical pleasure such as good food.

* Sex appeal. These ads want you to think a product will make you popular.

* Desire for a bargain. Prices and gifts are stressed.

LANGUAGE OF ADVERTISING

Advertising has its own language. By learning the terms, you are less likely to be misled. Some common terms are:

* "Should sell for." "Selling elsewhere for." Such terms mean nothing.

* Limited quantity." Only a few items are for sale.

* "Reduced to." Regular merchandise that has been reduced in price.

* "Special purchase." The merchandise was bought especially for this sale. The items aren't regularly carried by the store.

* "Introductory offer." This means a new product or one not sold in the area before.

Most ads are aimed at specific audiences. Listen to the music and language of a radio commercial. This will help you know who it is aimed toward.

THINGS TO DO

1. Find an ad in a newspaper. Underline all the factual information. What does it really tell you? What do they want you to think?
2. Watch a TV commercial. Who is it aimed toward? Why do you think this?
3. Make up a new product that you'd like to sell. Then make up some advertising for your new product. Do either a TV or radio commercial. Then write an ad for a newspaper or magazine.

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Prepared by: Mary N. Harrison
Consumer Education
Specialist

Consultant: Charla Bartscht Durham
Home Management and
Family Economics Specialist

Florida Cooperative Extension Service
Institute of Food and Agricultural Sciences
University of Florida, Gainesville

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SHOPPING PROJECT

PACKAGING

America uses more packages than any other country. In fact, most things sold are packaged. The types of packages used seem to be endless. It's estimated that during one year, the average homemaker opens 1,700 packages.

PACKAGING MATERIALS

Most packages are made of either metal, glass, plastic, or paper. All are good packaging materials. But each has special advantages as well as disadvantages.

Metal -- The most common packages are "tin" cans and aluminium cans. Aluminium or metal foil is often used for packaging. These are good containers. Bugs can't get into them. They withstand rough handling. However, disposing of the cans is sometimes a problem.

Glass -- Glass jars are often used as containers and packages. You can see through them which is an advantage. Glass jars also keep bugs and rats out. However, they do break easily. So, they must be handled carefully. Getting rid of unwanted jars is sometimes a problem.

Plastic -- Plastic is an inexpensive material. It can be molded into all kinds of packages. But, getting rid of plastic packages is a nuisance. If you try to burn them, they smoke or get sticky. And plastic doesn't rot either.

Paper -- Paper has been used for packages for many years. It's cheap and easy to handle. Used packages are easy to get rid of because they can be burned or they will rot when buried. The one disadvantage is that bugs and rats can get into paper packages.

SOME ADVANTAGES OF PACKAGES

** Packages keep things clean. A few years ago most items were not put in packages. They were just kept on the open shelf. Things got dirty or "shop worn" easily. The store owner had to put many things on sale. Now that most items are packaged, merchants don't have to have sales for "snop worn" items. So they don't lose money in this way.

** Packages make things easy to handle. They enable you to wait on yourself. This means that stores can keep costs lower by not having to hire so many sales people.

** Packages help keep foods from spoiling. They keep germs and store dust off the food. They also keep people from touching the food directly.

SOME DISADVANTAGES OF PACKAGING

** Packages cost money. It's estimated that about 10% of the money you spend to buy things goes for the packaging.

** Packages sometimes keep you from buying the amount you want. For example, you may want one apple when two are packaged together.

** Often you can't see through a package. You have to rely on the pictures or label to tell you what's inside. Sometimes the pictures look better than what's inside.

** Packages are not always full. So, you may think you're getting more than you are.

** Sometimes the amount put in a package is reduced, but the package size and price remain the same. This amounts to a price increase. Most people don't notice such things.

** Disposing of packages gets to be a real problem. Packages make up much of our trash and garbage. As a result, packages are becoming an ecological problem.

HINTS FOR THE SMART SHOPPER ABOUT PACKAGES

Buy a product because of its use and quality. Don't buy something just because it's in a pretty package. Sometimes fancy packages hide poor quality merchandise.

Read the label or information on a package carefully. If you're buying food compare the weight and quality listed on the package with other packages and products.

Don't pay extra money for packaging you don't need. Examples might include cheese with each slice wrapped separately and cereals packaged in individual-sized servings. What other items can you think of that have packaging you don't need or want?

Be aware that some convenience packages cost more. For example, aerosol cans cost more than regular cans.

THINGS TO DO

1. Count the number of packages you open in one day. Remember, candy bars and gum come in packages.

2. List five things you buy that come in packages. Next list five things you buy that don't come in packages. Which are easier to think of -- the packaged or unpackaged items.

3. Think of a product that you like. Design a different kind of package for it than the kind it comes in now.

4. Select one item that comes in a package. Then tell why the package it comes in is better than any other kind of a package. For example, can you imagine toothpaste packaged in a can like cake frosting?

Prepared by: Mary N. Harrison
Consumer Education
Specialist

Consultant: Charla Bartscht Durham
Home Management and
Family Economics Specialist

Florida Cooperative Extension Service
Institute of Food and Agricultural Sciences
University of Florida, Gainesville

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SHOPPING PROJECT

GUARANTEES AND WARRANTIES

Guarantees and warranties have the same meaning. They are promises given by a manufacturer or a store. These promises usually refer to the materials and workmanship of items. Sometimes the promises cover how long a product will last or how it will work.

IMPLIED WARRANTIES

There are some promises or guarantees which do not have to be in writing. You do not even have to be told about them. Yet, they are perfectly legal.

Warranty of Title

Every seller of goods implies that he owns the item for sale or that he has a right to sell it. If he sells you something that belongs to someone else, he can be sued.

Warranty of Merchantabiiity

The product must be of a quality fit for sale. It should be made by standards reasonable for that product. It must be properly labeled. For example, a box labeled candy may not contain soap.

Warranty of Fitness for Purpose

The product must be fit for the purpose for which it is ordinarily used. For example, a washing machine must wash clothes.

EXPRESS WARRANTIES

To be valid, the express warranty should be in writing. Remember, the promises of a salesman are not any good unless they are in writing and signed. To be any good, a guarantee must be given by a reliable company. If the company has gone out of business or moved away when you return something, you will probably be out of luck.

Before you buy, you should find out the terms of a guarantee. Read the tag that has the warranty or guarantee statement printed on it. Be sure to look for the things listed on the back of this page.

IF SOMETHING IS WRONG WITH WHAT YOU BOUGHT

You should look at things carefully before you buy them. But, sometimes you find something you bought is defective when you get home with it. Or, it may break when you first use it. Then you have a right, and should return it.

Be sure to read the instructions before you use a new item. Read the instructions on how to care for it. Always use an item for what it is meant to be used for. You have no right to complain if you abuse the item.

If there is a written guarantee, read it and follow the instructions. If there is no written guarantee, return the item to the store where you bought it.

Be honest and friendly when you return something. Tell them simply and clearly just what is wrong. If the sales person cannot or will not help you, ask to see the manager.

If you leave the item for repairs, be sure to get a receipt. Keep the receipt until you get the item back.

Some things are too big to carry back to the store. In this case, you may telephone the store. Keep a record of the date when you called, who you talked to and what they said. If you have to call again, tell them about the first call.

Sometimes you may have to return something through the mail. Write a letter. Give the reasons for returning the item. If you can get the letter typed, it is easier to read. If you can't get it typed, write neatly. Keep a carbon copy of your letter. Clearly tell your reasons for returning the item. Put the letter in an envelope and fasten it on the top of the package after you wrap it. Insure the package. If you do not get an answer within 2 or 3 weeks, write again. This time send your letter to the manager and tell him about your first letter.

REMEMBER . . .

Return merchandise only when there is a good reason. Be sure to have some proof of purchase such as a sales slip. Be business-like and courteous.

THINGS TO DO

1. Name one store that does not exchange merchandise. Why do you think they do not allow returns?

2. Name one store that has a very generous return policy. Which store has the higher prices? Where do you prefer to shop?

3. Make up a skit with your friends about returning merchandise. Show nice and nasty ways of taking something back to the store.

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Prepared by: Mary N. Harrison
Consumer Education
Specialist

Consultant: Charla Bartscht Durham
Home Management and
Family Economics Specialist

Florida Cooperative Extension Service
Institute of Food and Agricultural Sciences
University of Florida, Gainesville

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SHOPPING PROJECT

RETURNING MERCHANDISE

There are 2 reasons for returning something which you bought. First, you may have bought the wrong item. For example, a shirt might be the wrong color or size. The other reason for returning something is when there is something wrong with it. The way you return something could cause the store not to take it back.

IF YOU BOUGHT THE WRONG THING

Stores do not have to take back or exchange goods which they sell. Many stores, however, do let you return things. They do this to keep you satisfied as a customer. Before you buy anything, ask if you can bring it back should you need to. Some items cannot be returned. For example, sale items and swim wear.

If something has to be returned, take it back at once. Many stores will not let you bring it back after 10 days.

Return merchandise when the store is not so busy. Do not go at closing time or on a day when there is a big sale. If possible, take the item back to the person from whom you bought it. Take it to the department where you bought it unless the store has a special exchange department.

Be sure to carry the sales slip with you. This proves where you bought the item and when. Many stores will not accept returns without a sales slip.

Do not wear or use anything which you think you might have to take back to the store.

Be sure everything is with the item that belongs with it. Tags and labels should be on the item. Be sure the guarantee, operating instructions and any other papers are included. If the item came in a box or carton, be sure to return it in the same one.

Some stores will only exchange one item for another. If you used a credit card to buy the item, some stores will take it off your account. Some retailers will refund your money if you can not find your size or what you want. But other stores will only give you a credit slip. This means you can come back later to get something costing the same amount of money.

* Who gives the guarantee?
  .The store or the manufacturer?

* What will they do if the item is faulty?
  .Repair the item? Are there charges?
  .Loan you another while fixing yours?
  .Refund your money?
  .Replace the item? If you're given a new one, do you have to pay for the use you got from the faulty one?

* When is the guarantee in effect?
  .For how long?
  .When does it go into effect? At the time of purchase or when first used?

* Where must you return the item?
  .To the store where you bought it?
  .A service center?
  .Or, mail it to the manufacturer?
  .Who pays the postage?

* What is covered by the guarantee?
  .Parts and labor?
  .Parts only?
  .Which parts?

* What must you do to keep the warranty in effect?
  .Return a registration card?
  .Have the item serviced in a special way?

DISCLAIMERS

Most guarantees have disclaimer clauses. This means that under certain conditions the warranty is void. A disclaimer clause may be something like this: "This guarantee is given in lieu of all other warranties, expressed or implied." This means that only the written terms are binding. Any other promises are worthless. Most guarantees also say they are void if the item is abused or misused.

BEWARE OF MISLEADING WARRANTIES

Sometimes you find a guarantee that is an "Exclusive life-time warranty against defects in materials and workmanship." Whose life-time? Is it yours or the life of the product? This doesn't guarantee the product against wearing out. It does not promise the product will last any special length of time.

THINGS TO DO

1. Read a guarantee or warranty. What does it promise? What is not covered?

2. Read another guarantee or warranty. How is it different from the first?

3. Look at the section on tires in a catalog. What is guaranteed? For how long? What happens if the tire fails?

WORDS TO KNOW

VOID -- this means the guarantee is of no value.
VALID -- this means the warranty is good or of value.
MERCHANTABILITY -- this means the item is of a good enough quality to be sold.

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Prepared by: Mary N. Harrison
Consumer Education
Specialist

Consultant: Charla Bartscht Durham
Home Management and
Family Economics Specialist

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SHOPPING PROJECT

DOOR-TO-DOOR SALESMEN

Door-to-door salesmen are those people who sell things at places other than at regular business establishments. They usually come to your house to sell you something. Sometimes they arrange to give a "selling" party at someone's house. At these parties the salesman shows the things he has for sale and hopes you'll buy. You can meet door-to-door salesmen at other places. Some places include bus stops and along the street. People who try to sell you something over the phone can be called door-to-door salesmen, too.

WHAT ARE DOOR-TO-DOOR SALESMEN LIKE?

There are three general types of door-to-door salesmen. They are discussed below. As you read, try to remember if you have met people like those described.

** A door-to-door salesman may be your neighbor or friend. These are people who earn money by selling various products. Some examples include cosmetics, brushes, plastic kitchen wear or similar products. In these cases you know the person who does the selling. You also know the products they sell.

** The next type of door-to-door salesman is a person you do not know. But, he's selling for a well known company. So you do know his product. This type of door-to-door salesman will sell such things as encyclopedias, magazines, and insurance. Try to be aware of the "sales pitch" used by this door-to-door salesman.

** The third kind of door-to-door salesman is the "transient". He's a stranger. He's usually just passing through town. This is the type of door-to-door salesman to be most careful about. He may sell a product like magazines, vacuum cleaners, pictures, pots and pans, and health products among other things. Often these are brands that are new to you. This type of door-to-door salesman may also be offering a service to you. The usual things are fixing roofs or making other home repairs. Of course, there are always those who offer to pave your driveway. Again, be aware of the "sales pitch" used to try to get you to buy their product or service.

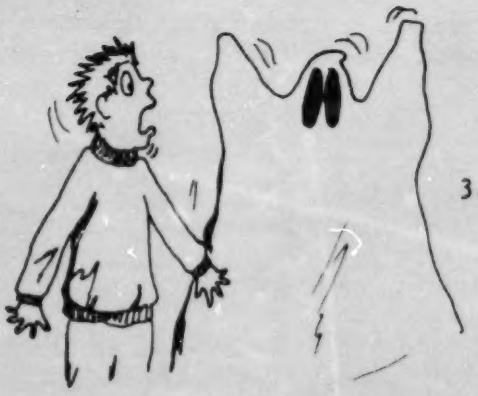
SHOULD YOU BUY FROM A DOOR-TO-DOOR SALESMAN?

You might want to buy from a door-to-door salesman:

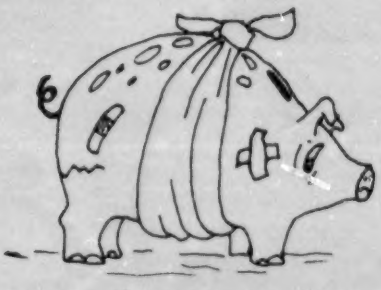
. . .IF you know the door-to-door salesman

. . .IF you know he is honest.

. . .IF you know that what he sells is of good quality.



3. Scare play. Some people try to scare you into buying. For example, they may tell you that your house will burn down unless you have them fix your heaters. Or, the family will get sick from germs unless you buy their appliance which kills germs. Don't let someone frighten you into buying.



4. Money troubles. Some frauds are aimed at people who need to earn extra money. These usually are work-at-home schemes, distributorships, and worthless correspondence schools.

A work-at-home scheme promises you lots of money for making something or working at home. They usually try to sell you something to work with, for example, a knitting machine. They usually fail to tell you there isn't any place to sell what you make.

Distributorships are sold for various types of businesses. Examples are snack foods and cosmetics. You are sold display cases or vending machines which you expect to locate in public places. Usually there's no place to put them, the products don't sell or you can't get supplies.

Worthless correspondence schools usually promise high paying jobs. They offer courses on such things as hotel management and becoming an airline stewardess. Yet, they don't qualify you for any job.

5. Shady deal pitch. Some people may offer to sell you expensive items very cheap if you ask no questions. This implies the merchandise is stolen or gotten illegally. Don't buy. If you buy stolen merchandise, you can get in trouble with the law. If they only want you to think the item is gotten illegally, they are probably selling you shoddy merchandise.

6. I'll see you later. Sometimes a peddler or someone you have just met will offer to make a purchase for you. They will promise they can get you a real bargain if you will give them your money. They will take your money and not come back.

Remember, the best way to keep from being defrauded is to plan your buys, shop at several stores to compare prices, and buy from established, reputable dealers.

* * * * *

Prepared by: Mary N. Harrison
Consumer Education
Specialist

Consultant: Charla Bartscht Durham
Home Management and
Family Economics Specialist

Florida Cooperative Extension Service
Institute of Food and Agricultural Sciences
University of Florida, Gainesville

4H Special Interest

SHOPPING PROJECT

FRAUDS AND DECEPTIONS

There are some people who make their living by cheating others. Millions of dollars are taken by fraud and deception each year. Often the people who are cheated can least afford it. People who are most likely to get cheated are those who spend their money without planning carefully. You are also likely to be cheated or defrauded if you try to take advantage of the seller.

There are signals which warn you of a possible fraud. You should learn to recognize these warning signals. They can help you recognize fraudulent schemes before you are "taken."

1. <u>The stranger you can't find again</u>. Never buy from anyone whom you cannot find again should you have a complaint. This could be the door-to-door salesman who is here today and gone tomorrow. You would have no one to contact if you did not get your order. There would be no one to return your purchase to if it did not hold up.

   The stranger you can't find again might be a company with only a post office box number for an address. It could be a market, a used car lot, or a sales office. It's the kind that opens up near a highway or on a vacant lot in town. It's one that stays in business only a few days or weeks and then closes or moves away. It's wise to buy only from reputable, established businesses.

2. <u>The fantastic bargain</u>. Be very cautious of anyone offering free gifts or fantastic bargains. Reliable companies cannot afford to give away their merchandise, or to sell below cost. If they do, they have to charge more for other things which they sell or they would go broke. Watch the person who tells you, "This offer will never be made again." He is trying to pressure you into buying. He may even say, "This price is just for you because you are the leader in your community, but you must buy today." He does not want you to think or to compare prices.

It's more convenient to shop at home from a door-to-door salesman. However, you should remember the following points:

** Prices will be higher than for similar products sold in stores. This is because the salesman sells very little compared to a store. So he has to get a bigger percentage of what he sells to get paid for his time and his expenses.

** You have to wait for most things sold door-to-door to be sent to you. When they come, they may not be what you wanted.

** Returning the things you bought for exchange, refund or repairs will be inconvenient. Sometimes it may be impossible.

** Be very cautious about buying from a stranger even if you know about the item he's selling. He may take your money and disappear. You'll be safer if you buy from a reliable store in your town.

** You should never buy from a stranger who is "passing through your town". You'll find door-to-door salesmen who try to force their way into your home. There are those who try to pressure you into buying. Then there are those who try to coax or "soft talk" you into buying. Others try to scare you into buying. It takes a lot of will power to say NO when these techniques are used. But this is the best answer when someone's trying to sell you something you don't want or need.

WHAT SHOULD YOU DO WHEN A DOOR-TO-DOOR SALESMAN CALLS?

It's best not to let a salesman into your home. The best thing to do is to just say "I'm not interested," and close the door. If you do decide to talk to a salesman, before you let him in ask to see his sales permit from the city or county. If he doesn't have one, ask to see his personal identification. Write down his name and address and report the salesman to your local police. If your city or county does not require a permit, ask to see both company and personal identification.

ARE THERE LEGAL PROTECTIONS IF YOU BUY FROM A DOOR-TO-DOOR SALESMAN?

There are two Florida laws that provide you with some protection when you buy from a door-to-door salesman.

** One law gives you three working days to cancel any purchase made from a door-to-door salesman, if it costs more than $25. To back out of the bargain, you must write to the company within three working days. Be sure to get the address from the salesman. You lose 5% of the money you paid to the salesman if you cancel.

** The other law protects you when you sign a mortgage on your home for a purchase. Again, you have three days to back out of the deal. In this case, however, all of your money must be returned to you. You don't have to pay any penalty.

THINGS TO DO

1. Find out if door-to-door salesmen are required to have permits in your city or county. Learn about the process of applying for a permit.
2. Pretend you're a door-to-door salesman. What would you say to get a person to let you come into their home?
3. Get a friend to pretend he's a door-to-door salesman. What would you tell him to get rid of him?

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